

Message Text

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14

ORIGIN EA-09

INFO OCT-01 ISO-00 AID-05 CIAE-00 COME-00 EB-07 FRB-03

INR-07 NSAE-00 USIA-06 TRSE-00 XMB-02 OPIC-03 SP-02

CIEP-01 LAB-04 SIL-01 OMB-01 AGR-05 NSC-05 SS-15

STR-04 CEA-01 CCO-00 OTPE-00 FCC-01 OC-05 BIB-01

DLOS-04 FEA-01 ACDA-05 CEQ-01 CG-00 OFA-01 DODE-00

DOT-00 EPA-01 ERDA-05 FMC-01 H-02 INT-05 IO-10

JUSE-00 L-03 NSF-01 OES-03 PA-01 PM-04 PRS-01 /138 R

DRAFTED BY EA/ROC:BLEVIN:BDS

APPROVED BY EA:PCHABIB

EA - MR. EDMOND

EA - MR. GLEYSTEN

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R 120016Z NOV 75

FM SECSTATE WASHDC

TO AMEMBASSY TAIPEI

INFO AMCONSUL HONG KONG

USLO PEKING

C O N F I D E N T I A L STATE 267428

E.O. 11652: GDS

TAGS: ETRD, TW, CH

SUBJECT: COTTON CONTRACT PROBLEM

1. IN NOVEMBER 10 MEETING WITH ROC MINISTER OF FINANCE,
K. T. LI, ASSISTANT SECRETARY HABIB STRONGLY URGED ROC
TO TAKE NECESSARY MEASURES TO SOLVE OUTSTANDING COTTON
CONTRACT PROBLEM. HABIB REMINDED LI OF MARCH 1975
ROC ASSURANCE IT WOULD TAKE CARE OF MATTER AND OF OUR
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EXTENSION OF CCC CREDITS TO THAT END. LAGGING ROC PER-

FORMANCE HAS TOUCHED OFF GROWING PRESSURES FROM COTTON SHIPPERS, GROWERS AND CONGRESS AND FURTHER DELAY COULD CREATE PROBLEMS FOR OUR ECONOMIC RELATIONSHIP. LI SAID HE WOULD MAKE OUR VIEWS KNOWN TO ECONOMIC MINISTER Y. S. SUN WHO WAS DIRECTLY RESPONSIBLE FOR HANDLING THIS ISSUE. HABIB SUGGESTED THAT LI ALSO MENTION THE PROBLEM TO THE PREMIER.

2. LI SAID THAT EFFORTS TO ORGANIZE A US-ROC ECONOMIC COUNCIL WERE PROCEEDING AND NOTED MEETINGS HAD BEEN HELD WITH DAVID KENNEDY ON THE SUBJECT. HABIB REAFFIRMED THAT WE HAD NO OBJECTION TO THE FORMATION OF THIS PRIVATE COUNCIL.

3. LI RAISED THE POSSIBILITY OF US-ROC JOINT AGRICULTURAL ASSISTANCE PROJECTS IN INDONESIA AND CENTRAL AMERICA. HABIB SAID THAT THERE WERE PROBLEMS INVOLVED IN SUCH ENDEAVORS BUT WE WOULD LOOK INTO THE MATTER. LI ALSO EXPRESSED THE HOPE THAT WE WOULD ASSIST THE ROC IN MAINTAINING CONTINUED ACCESS TO INTELSAT. HE SPOKE OF A POSSIBLE PRC ATTEMPT TO END SUCH ACCESS. HABIB SAID THAT WE SUPPORTED CONTINUED ROC ACCESS TO INTELSAT AND WOULD ACT ACCORDINGLY.

4. IN SEPARATE CONVERSATION WITH GLEYSTEN, LI ASKED WHETHER THERE WAS ANY CHANCE OF A CHANGE IN CURRENT US POLICY TOWARD OIL EXPLORATION IN DISPUTED WATERS. GLEYSTEN REPLIED NEGATIVELY AND SAID WE WOULD CONTINUE EFFORTS TO KEEP US COMPANIES OUT OF AREAS WHERE THERE WAS A POTENTIAL FOR AN INCIDENT. HE SAID THAT OBVIOUSLY THE CLOSER THE DRILLING IS TO TAIWAN, THE LESS THE CHANCE OF SUCH AN INCIDENT.

5. Y.T. WONG, DIRECTOR BOFT, NOVEMBER 11 ALSO MET WITH DEPARTMENT OFFICERS ON COTTON CONTRACT PROBLEM. SEPTEL FOLLOWS. INGERSOLL

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